

Amendment No. 1 to HB0979

Kumar
Signature of Sponsor

AMEND Senate Bill No. 663*

House Bill No. 979

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding the following as a new part:

56-7-3501.

As used in this part:

(1) "Group disability income protection policy" means a short-term or long-term group disability income protection policy instituted by an employer that:

(A) Provides income replacement benefits to an employee who is limited from working, or unable to work, for an extended period of time because of an injury or sickness; and

(B) Requires an employee covered under the policy to pay a premium; and

(2) "Reasonable time period" means at least thirty (30) days prior to, and again at least ten (10) days prior to, the initial payroll deduction of an employee's premium.

56-7-3502.

(a) An employer, as defined in § 50-1-702, may pre-enroll an employee in a group disability income protection policy and commence payroll deductions to pay a premium without obtaining affirmative agreement from an employee, if:

(1) The employer discloses to the employee the terms of the group disability income protection policy, including the benefits, exclusions, and premiums payable under the policy; and

(2) The employer provides the employee with notice of the pre-enrollment and a reasonable time period for declining coverage under the policy.

(b) The information provided in accordance with subsection (a) must:

(1) Be in clear and conspicuous language; and

(2) Describe the process by which an employee may exercise the employee's right to decline coverage.

SECTION 2. Tennessee Code Annotated, Section 67-4-2009, is amended by designating the existing language as subsection (a) and adding the following as a new subsection (b):

(1) Except as provided in subdivision (b)(2), for tax years beginning on or after the effective date of this act, there is allowed to a taxpayer doing business in this state who has tax liability under this part a tax credit against the excise tax imposed by this part that is equal to:

(A) Thirty dollars (\$30.00) per employee who is pre-enrolled in a long-term group disability income protection policy; plus

(B) Thirty dollars (\$30.00) per employee who is pre-enrolled in a short-term group disability income protection policy.

(2) In no event may the tax credit described in subdivision (b)(1) equal more than sixty dollars (\$60.00) per pre-enrolled employee.

(3) The credit provided in this subsection (b) is allowed:

(A) On the annual tax for the year in which an employee first enrolls in a group disability income protection policy as defined in § 56-7-3501; and

(B) On the annual tax for up to two (2) subsequent years, as long as the employee maintains enrollment in the group disability income protection policy for

at least six (6) months of the year for which the credit is claimed, or, if maintained for a period shorter than six (6) months, is maintained as of the last day of the tax year for which the credit is claimed.

(4) The commissioner may conduct an audit or require the filing of additional information necessary to substantiate or adjust the amount of credit taken by a taxpayer under this subsection (b).

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.